

**INTERAGENCY AGREEMENT (IA)  
BETWEEN THE  
GENERAL SERVICES ADMINISTRATION  
NATIONAL CENTER for UTILITIES MANAGEMENT  
AND THE  
DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE**

**IANO. P00-99-IA-0009**

**TITLE: PILOT PROGRAM TRANSFER OF  
FEDERAL ROYALTY-IN-KIND NATURAL GAS**

**1. TERMS AND CONDITIONS**

**1.1 PURPOSE:**

The purpose of this Interagency Agreement is to develop a pilot program between the General Services Administration (GSA), National Center for Utilities Management (**NCUM**) and the U.S. Department of Interior (**DOI**), Minerals Management Service (MMS), in which **MMS** would receive a portion of its royalty payment as natural gas in an equivalent volume and transfer that natural gas to GSA. GSA, through the National Center for Utilities Management (**NCUM**) or its agent(s), would re-distribute the natural gas for the benefit of the Federal Government.

**1.2 AUTHORITY:**

A. GSA has the authority to procure and supply the services described herein for and from a Federal Agency under the Federal Acquisition Regulations, Part **41** and 40 U.S.C. 481.

B. **DOI/MMS** has the authority to transfer royalties paid in oil or gas to the Administrator of GSA under the Outer Continental Shelf Lands Act, 43 U.S.C. 1353(a), and the Mineral Leasing Act, 30 U.S.C. 192.

**1.3 PROVISIONS:**

This Agreement shall become effective February 12, 1999 and will remain in effect for a period of five (5) years or until terminated by either party with 90 days advanced written notice to the other party. Any termination of this agreement will be on the last day of the month. When this agreement is terminated, **NCUM** will complete all responsibilities for reporting and payment for all natural gas provided by **MMS** through the end of the agreement period.

**1.4 AMENDMENT PROVISIONS:**

General terms and conditions of the IA can only be extended or modified by mutual agreement between **GSAMCUM** and **DOI/MMS** in the form of a formal IA Amendment. Amendments may be completed by signature of the IA's points of contact.

**1.5 BILLING AND PAYMENTS:**

A. **NCUM** or its agent(s) agrees to reimburse **MMS** for natural gas produced onshore or offshore in the Gulf of Mexico (**GOM**). The details of specific reimbursement arrangements will be specified in the individual Task Orders developed from the provisions of this basic agreement and bilaterally agreed to by both Agencies.

B. In accordance with MMS regulations (30 CFR 218.54) and policy, payment by GSA or its agent(s) will be due the last day of the business month following the month of production and sales. Late payments by GSA or its agent(s) will be assessed by MMS and paid by GSA or its agent(s) with applicable interest per MMS regulations, policy and **future** regulations implementing the Federal Oil and Gas Royalty Management Act and the Federal Oil and Gas Royalty Simplification and Fairness Act. Cash payments by lessees for volumes not delivered timely by lessees or their agents and associated late payment interest thereon will be assessed by **MMS** against lessees or their agents and paid by lessees or their agents to MMS per MMS regulations, policy and future regulations implementing the Federal Oil and Gas Royalty Management Act and Federal Oil and Gas Royalty Simplification and Fairness Act.

c. All payments to MMS by NCUM will be made via the U.S. Treasury's OPAC (On-line Payment and Collection). All payments made directly by NCUM's agent(s) will be made by electronic fund transfer.

## **1.6 DISPUTES:**

The **NCUM** and MMS shall resolve disputes not resolved at the operational level. Failure to resolve disputes between these parties shall be referred to an arbitrator, the cost of which shall be shared equally between the two agencies.

## **1.7 TASK ORDERS:**

Each working arrangement between GSA and MMS shall be addressed in a separate task order that shall be specific to each arrangement. Each task order must be signed by both parties and shall obligate both parties for those tasks. Where GSA will be transferred natural gas in which a State has an interest, we will work cooperatively with that State **in** determining the specifications of the Task Order.

# **2 . RESPONSIBILITIES**

## **2 . 1 GSA/NCUM:**

GSA, NCUM or its agent(s) shall be responsible for the following:

- A. Taking the royalty gas at or near each lease, or at a point onshore as determined by MMS in conjunction with NCUM and its agent(s), and delivering the gas to the end-user.
- B. Providing monthly reports, due the last day of the business month following the month of production and sales, per **MMS regulations**, which will include:
  - (1) Published price indices applicable to the natural gas sold
  - (2) Total amount of natural gas received from Federal lease.
  - (3) Amount of natural gas supplied to NCUM customers.
  - (4) Amount of natural gas sold by agent(s).
  - (5) Price and amount of all gas sold by agent(s) to non-customers.
  - (6) All transportation costs incurred from the lease to the end-user or sales point.
- C. Providing a completed MMS **Form 2014** thirty days (30) after each month of production. Information on quantity of gas received, price realized and transportation deductions will be entered into this form on a lease by lease basis.
- D. Rectifying any imbalances or other volume discrepancies with producers per instructions agreed to by GSA and issued by MMS to the lessees' operators.

## **2.2 DOI/MMS:**

MMS will be responsible for the following:

- A. Insure natural gas is made available to **NCUM** or its agent(s).

- B. Provide for electronic fund transfer from NCUM agent(s).
- C. Provide NCUM and its agent(s) an electronic Microsoft Excel format spreadsheet and instruction for the completion of MMS Form 2014.

**2.3 DESIGNATED POINTS OF CONTACT**

- A. The NCUM point of contact shall be:

William Mitten  
Telephone #: 360-905-6123  
Facsimile #: 360-905-6.101  
E - Mail: billm@ncum-gsa.gov

The Alternate NCUM point of contact shall be:

Linda Collins  
Telephone #: 202-501-4267  
Facsimile #: 202-219-7680  
E-Mail: linda.l.collins@gsa.gov

- B. The MMS Point of contact shall be:


Bonn Macy  
Telephone #: 202-208-3827  
Facsimile #: 202-208-3918  
E - Mail: Bonn.Macy@mms.gov

The Alternate MMS Point of Contact shall be:

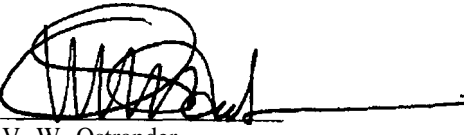
Anne Ewell  
Telephone #: 703-787-1584  
Facsimile #: 703-787-1093  
E - Mail: Anne.Ewell@mms.gov

For: **DOI/MMS**

For: **GSA/NCUM**

  
Cynthia Quarterman  
Director

2/12/99  
Date

  
V. W. Ostrander  
Director, Public Utilities

2/12/99  
Date